

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6993

BILL NUMBER: HB 1837

NOTE PREPARED: Jan 13, 2003

BILL AMENDED:

SUBJECT: Provider Assessments.

FIRST AUTHOR: Rep. Summers

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

STATE IMPACT	FY 2003	FY 2004	FY 2005
State Revenues		6,150,000	6,150,000
State Expenditures		4,181,525	4,181,525
Net Increase (Decrease)		1,968,475	1,968,475

Summary of Legislation: This bill allows the Office of Medicaid Policy and Planning to assess providers of supported living services and support to individuals with a developmental disability an amount not to exceed: (1) \$75 per month per individual served in a 24-hour a day setting; or (2) \$25 per month per individual served in a setting other than a 24-hour a day setting. The bill creates the Community Services Assessment Account to be used for services for which a federal financial participation under Medicaid is available to match state funds. The bill also allows money in the fund to be used to enhance community capacity for certain services through increases in reimbursement rates. It terminates assessment authority if federal financial participation ceases.

Effective Date: July 1, 2003.

Summary of Net State Impact: This bill allows the Office of Medicaid Policy and Planning (OMPP) to assess providers of community-based services for individuals with developmental disabilities an amount estimated to raise \$6.15 M in revenue. The assessment revenue must be used to enhance the capacity for these services by increasing the rates paid to providers so that compensation for direct care workers may be

increased. The bill requires that a minimum of 75% of the federal financial participation received must be used for this purpose. The assessment revenue is to serve as the state share of the expenditures necessary to leverage federal financial participation for those programs and services that are Medicaid-funded. The Division of Disability, Aging, and Rehabilitative Services (DDARS) has estimated that the provisions of the bill will result in a net decrease in state expenditures of \$1.9 M. The bill as written, would allow the funding to net out as DDARS has estimated, but that outcome would require appropriations and reversions that are not specifically included in this bill.

Explanation of State Expenditures: This bill would result in additional state expenditures of \$1.84 M for increased rates for services provided by the Bureau of Developmental Disability Services and under Title XX (Social Services Block Grant Funding). The bill as written would allow OMPP to assess the providers of services for these two 100% state-funded programs but does not provide a mechanism to allow money from the account to be used for programs outside of Medicaid. The bill does not contain an appropriation nor would it prevent the Community Services Assessment Account from reverting to the General Fund. Ultimately, the final expense would be dependent upon legislative or administrative action.

Within the Medicaid waivers that provide services for individuals with developmental disabilities, the bill would provide for estimated wage increases of \$6.2 M. This increase in expenditure would require \$2.34 M for the state match which would be paid from the Community Services Assessment Account. As the bill is written, the balance of the assessments collected, \$3.8 M, may only be used to leverage federal funds under the Medicaid program and further, only to increase rates to providers in order to increase the compensation or benefits of direct care service workers. The bill does not prohibit the funds from reverting to the General Fund. The final net expense of this bill would be dependent upon further legislative or administrative action.

The bill establishes a new account within the state General Fund to be called the Community Services Assessment Account. Provider assessments are to be deposited in this account which is annually appropriated for reimbursement for services provided within the Medicaid program. The bill specifies that Medicaid federal financial participation must be available; if it becomes unavailable, the authority to impose the assessments is terminated.

Explanation of State Revenues: This bill allows the OMPP to assess providers of supported living services and supports to individuals with a developmental disability (DD) up to \$75 per month per individual served in a 24-hour setting and up to \$25 per month per individual served on a basis of other than 24 hours per day. The revenue raised by the assessment in each care setting is estimated in the table below:

Support Service Program for the Developmentally Disabled	Monthly Assessment	Annual Assessment	Estimated Participants	Total Assessment
DD, Autism, & TBI Medicaid Waivers	\$75	\$900	4,344	\$3,909,600
Support Services Medicaid Waiver	\$25	\$300	2,750	\$825,000
Bureau of Developmental Disabilities	\$75	\$900	656	\$590,400
Title XX	\$25	\$300	2,750	\$825,000
Totals			10,500	\$6,150,000

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Office of Medicaid Policy and Planning and the Division of Disability, Aging, and Rehabilitative Services.

Local Agencies Affected:

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